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Foreign Crops and MARKETS



VOLUME 57

NUMBER 8

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FOR RELEASE

MONDAY

AUGUST 23, 1948

Issued by the OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

L A T E N E W S

Canada's 1948 flaxseed production is 18,045,000 bushels, according to the first official estimate. This is an increase of more than 47 percent over the 1947 harvest and the second largest on record.

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Stocks of cotton in Spain (excluding mill stocks) at the end of June were equivalent to 57,000 bales (of 500 pounds gross) including 19,000 bales of Brazilian, 13,000 of Mexican, 10,000 of Indian, 7,000 of American and 6,000 of Egyptian. Only 7,000 bales arrived in June and 13,000 were expected in July. New cotton purchase contracts include 25,000 bales of Brazilian and 8,000 of Indian.

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Exports of cotton from Mexico, previously duty free, were made subject to an ad valorem duty effective August 3 at the rate of 10 percent for unginned cotton and 2 percent for lint. There is no specific duty on either class. The higher rate on unginned cotton is intended to insure that Mexican cotton will be ginned in Mexico.

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On August 12 the Government of India announced export quotas for jute goods by destinations for the 6 months July-December. Licenses will be issued freely within these quotas for export to hard currency areas. For soft currency areas, 90 percent of quotas

(Continued on Page 141)

INTERNATIONAL TRADE IN MEAT DECREASED IN 1947

Meat entering international trade in 1947 totalled about 4.8 billion pounds according to estimates by the Office of Foreign Agricultural Relations. This was a decrease of about 775 million pounds from 1946, but the volume was nearly 300 million pounds larger than the prewar, 1934-38, average. The volume of trade in meat in 1947 declined principally because exports from the United States and Canada were reduced by 1 billion pounds, largely because of the strong domestic demand for meat. Decreased North American meat exports were partially offset by increased exports from Argentina, Australia, New Zealand and Denmark. Increased production in these Southern Hemisphere countries and heavy liquidation of livestock in Denmark contributed to larger exports from those countries.

Canadian exports of meats were only about two-thirds as large as those of 1946. These exports were made principally to the United Kingdom, Newfoundland and Caribbean area. The recent removal of export controls on sheep and lambs and feeder and slaughter cattle will increase live animal exports to the United States and may reduce Canadian exports of beef and veal and mutton and lamb.

Meat exports from the United States dropped to 281 million pounds in 1947, a decline of 838 million pounds from 1946 when UNRRA and other agencies were making heavy relief purchases. The flow of exports tapered off sharply after mid-1946 as a result of lower export allocations. Restrictions on exports reduced the flow in 1947 to the lowest since 1940. Further reductions in allocations in 1948 are expected to reduce meat exports well below the 1934-38 level. On the other hand, imports in 1946 and 1947 were relatively low, reaching only 22 million pounds in 1946, and 64 million pounds in 1947, compared with 262 million pounds in prewar years.

During 1947, Argentina exported over 2 billion pounds, an increase of more than one-half billion pounds over both the preceding year and the 1934-38 average. About 90 percent of the exports were made to the United Kingdom and the remainder principally to Belgium, France, the United States, the Netherlands, and Spain.

Australia and New Zealand also exported more meat in 1947 than in 1946, reflecting some recovery from the drought years. Most of these exports were in fulfillment of contracts with the United Kingdom.

The international meat trade pattern in 1947 was somewhat different from that of prewar principally because European meat production had dropped from an average of 27.2 billion pounds in the 1934-38 period to an estimated output of 18.2 billion pounds last year. Even with decreased exports and some half billion pounds increase in imports, there was a meat supply deficit of more than 7 billion pounds when compared with prewar.

Argentina, Australia, New Zealand and Canada were more important as supply countries in 1947 and to some extent temporarily made up some of the loss in European produced supplies. This shift in the trade pattern may be temporary, depending on restoration of prewar production and resumption of intra-continental trade with Eastern and Southeastern Europe.

Meat 1/: International trade, average 1934-38,
annual 1946 and 1947

Continent and country	Average 1934-38		1946 <u>2</u> /		1947 <u>2</u> /	
	Exports	Imports	Exports	Imports	Exports	Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA:						
Canada <u>3</u> /	193,436:	24,568:	628,265:	733:	412,906:	6,394
Mexico	23:	1,130:	6,245:	171:	15,358:	812
United States <u>3</u> / <u>4</u> /	114,600:	262,000:	1,129,300:	22,000:	281,400:	64,000
Cuba	82:	7,302:	14:	9,107:	5:	15,614
Total North America	308,100:	295,000:	1,763,800:	32,000:	709,700:	86,800
EUROPE:						
Austria	760:	13,097:	<u>5</u> / <u>6</u> /	83,800:	<u>5</u> / <u>6</u> /	42,100
Belgium	54,501:	6,790:	13,527:	207,366:	3,245:	220,356
Bulgaria	4,715:	-	13:	-	-	-
Czechoslovakia	637:	5,275:	<u>5</u> / <u>6</u> /	130,700:	11: <u>6</u> /	37,000
Denmark <u>1</u> /	534,141:	758:	283,300:	-	313,805:	-
Eire	70,881:	40:	74,767:	-	34,005:	-
Finland	6,435:	1,257:	-	8,486:	-	5,600
France	4,698:	51,958:	667:	273,253:	4,993:	143,942
Germany	4,148:	156,081:	-	44,100:	<u>5</u> / <u>6</u> /	23,400
Greece	-	2,689:	-	68,700:	-	10,600
Hungary	18,203:	-	<u>5</u> / <u>6</u> /	3,900:	3,000:	-
Italy	11,597:	73,542:	31:	117,900:	1,847:	68,908
Netherlands	85,571:	21,974:	-	87,704:	2,152:	21,388
Norway	2,244:	4,378:	150:	12,386:	162:	1,801
Poland	113,490:	62:	<u>5</u> / <u>6</u> /	149,400:	<u>5</u> / <u>6</u> /	79,800
Portugal <u>8</u> /	936:	525:	305:	5,869:	357:	16,750
Rumania	6,179:	-	<u>5</u> /	<u>5</u> /	<u>5</u> / <u>6</u> /	300
Spain <u>9</u> /	2,666:	4,733:	282:	3,664:	<u>5</u> / <u>6</u> /	28,200
Sweden <u>2</u> /	31,097:	14,914:	2:	24,912:	-	31,085
Switzerland	1,350:	8,515:	73:	15,456:	117:	36,527
United Kingdom	28,008:	3,455,910:	17,344:	3,481,629:	9,354:	3,532,319
Yugoslavia	18,901:	-	-	83,300:	<u>5</u> / <u>6</u> /	15,700
Total Europe	1,007,600:	3,822,500:	392,800:	4,802,500:	375,700:	4,315,800

U.S.S.R.

SOUTH AMERICA:

Argentina	1,460,045:	-	1,472,885:	-	2,009,000:	-
Brazil	213,538:	2,563:	237,994:	681:	127,000:	-
Chile	20,977:	70:	26,186:	-	16,995:	-
Paraguay	16,483:	-	47,700:	-	11/ 30,000:	-
Uruguay	323,623:	44:	288,581:	-	149,780:	-
Total South America	2,034,700:	2,700:	2,073,300:	700:	2,332,800:	-

AFRICA:

Madagascar	30,410:	434:	24,202:	16:	42,115:	-
Southern Rhodesia	18,601:	186:	14,085:	401:	11,810:	-
Union of South Africa	13,542:	19,643:	3,710:	26,166:12/	4,000:6/	5,700:
Total Africa	62,500:	20,300:	42,000:	26,600:	57,900:	5,700

OCEANIA:

Australia ^{13/}	495,742:	7:	517,358:	-	537,283:	-
New Zealand	594,138:	-	786,821:	-	789,210:	-
Total Oceania	1,089,900:	-	1,304,200:	-	1,326,500:	-

Estimated world total

	4,511,100:	4,146,700:	5,576,800:	5,093,500:	4,803,100:	4,424,000
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^{1/} All meats converted to a carcass weight equivalent - includes beef and veal, pork, mutton and lamb, goat and horse meat; excludes live animals, edible offal, lard, rabbit and poultry meat. ^{2/} Preliminary.
^{3/} Averages for years 1935-39. ^{4/} Excludes exports of horse meat, which averaged 2 million pounds in 1935-39, 4 million in 1946 and 119 million in 1947. ^{5/} Not available. ^{6/} Based on exports from supplying countries reporting exports by destination. ^{7/} Includes carcass weight equivalent of live cattle exported. ^{8/} Averages for years 1934-37. ^{9/} Averages for years 1931-35. ^{10/} Includes edible offal. ^{11/} Based on imports into receiving countries reporting imports by origin. ^{12/} Estimate based on exports for 3 months. ^{13/} Year beginning July 1 for 1934-38 average.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, and other available information. Totals include estimates for some countries for which official statistics are unavailable, although in postwar years some international trade may have been excluded because of lack of information upon which to base estimates.

NORTHERN HEMISPHERE'S 1948 BREADGRAIN CROP NEAR NORMAL

Present prospects indicate that the 1948 breadgrain crop in the Northern Hemisphere may be about 10 percent above the small 1947 production, according to the Office of Agricultural Relations. If these prospects materialize, the total outturn of wheat and rye would be near the prewar level (1935-39).

Recovery has been more marked in wheat than in rye, with the prospective wheat crop likely to be slightly above the prewar average, largely as a result of a gain from prewar of about 70 percent in the United States. The Northern Hemisphere rye harvest is estimated to be about 10 percent below average. The bulk of the decline is accounted for in continental Europe, where the outturn, though sharply above 1947, is still considerably below average.

Total output of bread grains in North America is much above average and in Asia is estimated to be moderately above average, as well as larger than in 1947. In continental Europe production is still well below average, though substantially above last year's low figure. The Soviet Union's breadgrain crop is also expected to be above 1947, but much below prewar.

The good wheat outturn in North America, together with the record corn crop in the United States, will provide a substantial supply for export. Despite the greatly improved outlook in Europe and Asia, however, import demand for breadgrains continues high in both Europe and Asia for 1948-49, and is likely to absorb all exportable supplies available from North America.

The comparatively high import demand for Europe reflects the need for substantially increased bread rations in many countries where rations have been too low to provide adequate requirements. In some countries improved supplies are expected to make it possible to discontinue bread rationing. Larger than average imports would also be needed to effect an improvement in the quality of the bread, since flour extraction rates have been high and heavy admixtures of coarse grain and potato flour have been widely used to extend limited supplies. Still another need for continued large grain imports is for building up depleted stocks over much of the Continent. Wheat needs for Asia are expected to continue large because of a shortage of surplus rice supplies to meet food needs in deficit areas.

In North America the combined outturn of wheat and rye is expected to be second only to last year's record crop. Present estimates show current production only about 2 percent below the all-time high figure for that year. The United States wheat crop of 1,284 million bushels is about 525 million larger than the prewar average. Unusually favorable growing conditions resulted in near record yields on the 71,502 thousand acres for harvest, an acreage that has been surpassed only twice. Canada's preliminary estimate of the wheat crop, at 372 million bushels, is somewhat above average and larger than in 1947. The rye outturn in the United States is about the same as in 1947 and much below average since acreage has been curtailed sharply in recent years. The rye crop in Canada is double the crop of 13 million bushels harvested last year.

The total outturn of bread grains in Europe is sharply above the small 1947 harvest, though about 10 percent below the 1935-39 average. The expected wheat crop of 1,460 million bushels would be about 445 million bushels, or 44 percent larger than the poor 1947 harvest, but 8 percent less than the prewar average.

Outturns are especially good in western Europe. The crop in France, estimated at 275 million bushels, shows an increase of about 85 percent compared with the 1947 harvest, and is only slightly below average. Above-average yields on an increased acreage account for the substantial increase. Good crops, though below average, are expected in Italy and Spain also. Yields are near average in those countries, but acreage is not up to the prewar level.

According to reports, favorable conditions in the Balkan countries have resulted in a crop there considerably larger than in 1947, though not up to average. Yields are near average, but acreage is still below the 1935-39 figure. Some exportable surplus is reported from this traditionally surplus area, especially in Rumania. Central Europe's prospects are also generally somewhat better than in 1947.

Unusually favorable conditions were reported from the United Kingdom during the growing season, and yields were forecast to be better than average. Unfavorable weather at harvest time, however, in both the United Kingdom and France was reported to have caused some damage. While no appraisal of the effect on the outturn is yet available, some impairment of quality as well as quantity is expected.

European rye production is tentatively estimated at about 635 million bushels, compared with 495 million in 1947 and 763 million in 1935-39. Larger crops than in 1947 are general. The bulk of the gain, however, is estimated for Poland and Germany, the ranking producers of the area. Yields in both countries are estimated to be somewhat below average, though larger than a year ago.

Bread grain production in the Soviet Union is forecast to be larger than in 1947, but still well below average. The final outturn will, however, depend to a great extent on weather conditions in Siberia and other eastern regions during the harvest, which is developing. A considerable increase in the wheat acreage is responsible for the larger outturn, with yields below those of 1947. The rye harvest is expected to be a little below the 1947 crop. Conditions have been variable, with drought during the critical growing period indicated to have reduced the yields of spring wheat over much of the important Volga area. Good conditions were reported during the growing season in the southern winter-wheat area from which exports normally originate. Rain during harvesttime and more widespread grain lodging than last year have been reported, however.

Larger than average wheat crops are reported for most of the principal producing countries of Asia. The crop in China is now estimated to be 25 percent above average and in Turkey about 20 percent above average. The outturn is also larger than in 1947 for both countries. India's crop appears to be slightly below average though 20 percent larger than in 1947. The crop in Japan is still below average but better than a year ago. (Continued on Page 157)

WORLD APRICOT CROP SMALLER

World production in 1947, of apricots for fresh consumption, drying and processing is indicated to be 446,468 short tons, 30 percent below the 1946 crop of 641,215 tons and 17 percent lower than the 5-year (1935-39) average of 536,640 tons.

The North American total indicated to be 205,559 tons is 41 percent below the estimated total of 347,887 tons for 1946 and 24 percent lower than the prewar average of 269,286 tons. The United States, whose crop is indicated as 197,500 tons, is the largest apricot producer in the world.

The 1947 United States production is 58 percent of the 1946 production of 338,700 and 74 percent as large as the prewar average of 265,170 tons. California, Washington and Utah are the important producing States. In California, production in 1947 is estimated at 165,000 tons as compared with 306,000 in 1946 and with 250,600, the prewar average. The Washington crop of 28,000 tons is 3 percent above the 1946 crop and 143 percent above the 1935-39 average of 11,520 tons. In Utah, production of 4,500 tons is just about 1,000 tons less than the 1946 crop of 5,400 tons.

Canada's crop of 3,650 tons is about the same as last year's output of 3,675 tons but 3 times larger than the prewar average. Apricots in Canada are grown commercially only in British Columbia. Production in Mexico, indicated to be 4,409 tons, is 20 percent below the 1946 crop of 5,512 tons and 54 percent above the 1935-39 average of 2,861 tons.

Production in Europe estimated at 167,597 tons, compared with 207,047 for 1946 and 181,765 for the 1935-39 average. Spain and France are the largest apricot growers in Europe, producing 54,442 and 48,501 tons respectively. Spanish production in 1947 was 30 percent below the 1946 crop of 77,774 tons and the reduction was due namely to extreme drought and lack of chemical fertilizers.

Apricot production in France for 1947 is indicated to be 48,501 tons and the largest crop on record. This crop was double the 1946 crop and two and one half times larger than the prewar average of 17,867 tons. Production in Czechoslovakia, estimated at 12,544 tons, was 30 percent below the 1946 production of 15,792 tons but 68 percent above the prewar average of 7,459 tons.

The number of apricot trees in Czechoslovakia in 1947 is estimated at 916,000, an increase of about 19,000 over the number in 1946, but the average yield was reduced because of dry weather in the spring and summer of 1947. Production in Hungary, estimated at 19,620 tons, is probably an average crop but about 20 percent lower than last year's output of 24,692 tons and 26 percent below the prewar average of 26,560 tons. Most of the crop was consumed within the country. The Italian crop of 15,432 tons compares with 22,046 for 1946 and 27,594 prewar.

Asia's indicated production of 36,305 tons is 25 percent below the 48,656 produced during 1946 and 29 percent lower than the prewar average of 51,100 tons. Syria, the largest producer in this area, is estimated at 18,739 tons as compared with 23,519 for 1946. Lebanon's crop of 5,000 tons is about the same as last year. In Turkey the crop of 5,566 tons is about one-half as large as last year's production of 13,131 and one-third the size of the prewar estimate of 18,088. The reduced crop was the result of a late spring freeze.

South America has two producers---Argentina and Chile. Argentina's production of 8,807 tons is about the same as in 1946 and for the prewar average. Chile's crop of 800 tons is 8 percent above the 1946 crop and 33 percent above the prewar production of 600 tons.

Australia's crop of 27,000 tons is 3 percent below the 1946 crop of 27,875, but 8 percent higher than the prewar average of 25,038. Victoria and South Australia, the two main producing States, the crop for 1947 was lighter than in the prewar years but canning varieties were heavy. The crop was also lighter in Queensland and Western Australia because of "brown rot".

This is the first published estimate of apricot production by the Office of Foreign Agricultural Relations. Only estimates for countries where production statistics are available are given.

(See table on following pages)

L A T E N E W S

(Continued from Page 134)

will be allotted to established shippers and 10 percent is reserved for new shippers. Quantities left over after established shippers have secured for any one destination the maximum of 25 percent of their total quotas (or 5 percent of the entire destinational quota, whichever is less) will be assigned to small established shippers and new shippers.

Apricots: Production^{1/} in specified countries, average 1935-39,
annual 1940-47

Continent and country	Average : 1935-39 :	1940	1941	1942	1943	1944	1945	1946	1947
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
<u>North America</u>									
Canada	1,255:	1,700:	1,900:	2,450:	625:	3,650:	2,175:	3,675:	3,650
Mexico	2,861:	3,407:	4,743:	4,779:	4,297:	4,889:	5,109:	5,512:	4,409
United States	265,170:	127,100:	213,900:	228,100:	104,400:	351,800:	191,500:	338,700:	197,500
Total	269,286:	132,207:	220,543:	235,329:	109,322:	360,339:	198,784:	347,887:	205,559
<u>Europe</u>									
Aegean Islands	265:	365:	230:	315:	255:	311:	311:	283:	198
Austria	3,973:	273:	1,078:	1,498:	3,430:	1,578:	4,971:	9,755:	7,706
Czechoslovakia	7,459:	573:	2,265:	3,140:	7,187:	3,308:	10,416:	15,792:	12,544
France	17,867:	16,121:	34,306:	25,302:	22,212:	26,117:	41,535:	24,020:	48,501
Germany	1,046:	24:	95:	132:	302:	139:	438:	666:	526
Hungary	26,560:	1,516:	6,062:	8,420:	19,137:	8,819:	27,558:	24,692:	19,620
Italy	27,594:	28,396:	17,943:	24,631:	19,841:	24,251:	24,284:	22,046:	15,432
Luxemburg	12:	33:	70:	52:	46:	54:	86:	50:	101
Rumania ^{2/}	20,886:	21,036:	13,399:	18,610:	15,130:	18,451:	16,500:	16,535:	3,429
Spain	59,121:	59,403:	63,644:	82,432:	67,516:	85,466:	85,500:	77,774:	54,442
Switzerland	1,610:	992:	4,740:	1,433:	4,850:	5,291:	4,630:	4,213:	2,949
Yugoslavia	15,372:	15,482:	9,799:	13,610:	11,065:	13,494:	14,000:	11,221:	2,149
Total	181,765:	144,214:	153,631:	179,575:	170,971:	187,279:	230,229:	207,047:	167,597

Apricots: Production ^{1/} in specified countries, average 1935-39,
annual 1940-47

Continent and country	Average : 1935-39 :	1940	1941	1942	1943	1944	1945	1946	1947
	Short : tons	Short : tons	Short : tons	Short : tons	Short : tons	Short : tons	Short : tons	Short : tons	Short : tons
Asia	3/	3/	3/	352:	3,086:	4,900:	3,307:	4,960:	5,000
Lebanon	6,572:	62,19:	6,189:	5,512:	4,409:	7,010:	4,697:	7,046:	7,000
Palestine	4/ 26,440:4/	24,581:4/	12,676:	14,605:	29,652:	25,794:	23,082:	23,519:	18,739
Syria	18,088:	23,490:	4,804:	34,746:	15,523:	12,927:	15,934:	13,131:	5,566
Turkey	51,100:	54,290:	23,669:	55,215:	52,670:	50,631:	47,020:	48,656:	36,305
Total									
South America									
Argentina	7,000:	9,033:	7,937:	14,337:	8,102:	11,243:	8,708:	8,653:	8,807
Chile	600:	375:	380:	400:	580:	800:	825:	740:	800
Total	7,600:	9,408:	8,317:	14,737:	8,682:	12,043:	9,533:	9,393:	9,607
Oceania									
Australia	25,038:	28,417:	30,037:	24,994:	32,233:	19,824:	24,905:	27,875:	27,000
New Zealand	1,851:	1,749:	1,854:	1,539:	1,985:	567:	2,058:	357:	400
Total	26,889:	30,166:	31,891:	26,533:	34,218:	20,391:	26,963:	28,232:	27,400
World total	536,640:	370,285:	438,051:	511,389:	375,863:	630,683:	512,529:	641,215:	446,468

^{1/} Production is from bloom of year shown and includes apricots produced for fresh consumption, drying and processing.
^{2/} Includes peaches. ^{3/} Included with Syria. ^{4/} Includes Lebanon.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States foreign service officers, results of office research and other information. Estimates of countries having boundary changes have been adjusted to prewar boundaries.

C O M M O D I T Y D E V E L O P M E N T S

GRAINS, GRAIN PRODUCTS AND FEEDSDISCONTINUE CANADIAN EQUALIZATION FEES
ON EXPORTS OF OATS AND BARLEY

Equalization fees formerly charged on exports of Canadian oats and barley were discontinued effective August 1 and permits now are being freely issued to anyone desiring to export those grains, according to an announcement by the Canadian Government.

The Canadian export permit equalization fee system for export shipments of these grains was first established in April 1943. The objective was to narrow the spread between the prices of Canadian oats and barley when entering export channels on one hand, and the United States prices for these grains on the other. At that time, coarse grain prices were rising in the United States while being held down in Canada by a ceiling in order that Canadian livestock producers could operate without increasing costs. As a result, a considerable spread developed between prices in Winnipeg and those in United States markets.

The price spread at that time made it profitable to buy the lower priced Canadian grain and sell it in the United States. The situation was remedied by the inauguration of an equalization fee and export permit system. Subsequently, export permits were not granted by the Canadian Wheat Board, which was responsible for the operation of the system, unless the shipper could show that he had first offered the oats and barley to the eastern Canadian trade.

In actual operation, the equalization fee was collected by the Canadian Wheat Board at the time the export permit was granted. The Board announced the level of the equalization fee daily after determining the difference between the Canadian ceiling price and the net price in the United States--that is the cash price in the United States less transportation, handling charges, and import duty, taking into account also the exchange rate.

Western Canadian farmers received the full benefit of the system. At the end of each season the total amount of the equalization fees collected (less operating costs) was prorated among the western Canadian growers who had made the original deliveries.

PHILIPPINES RATION RICE;
ACREAGE MAY INCREASE

The rationing of imported rice in Manila, Philippines, was inaugurated on August 5. According to a report from D. M. Crawford, Agricultural Attache there, rationing in Manila is expected to continue until November 15, when the new crop should reach the market. The distribution to customers of around 25 million pounds monthly is expected to relieve the shortage of rice which now exists in that city.

A new Government order on July 19 set ceilings on the retail price of rice in Manila. That for native rice is \$12.82 per 100 pounds, and for imported, \$12.33 per 100 pounds. Except for a slight decline from mid-February to March, 1948 prices have moved steadily upward. At the beginning of 1948, first-class macan could be purchased at wholesale for \$10.42 per 100 pounds, and on July 26, the same class and quantity cost \$13.36. This is an increase of more than 25 percent.

While wholesale prices advanced about 25 to 30 percent, retail prices gained more rapidly. Early in 1947, second-class macan sold for \$10.35 per 100 pounds, and on July 30 the same quality brought about \$14.79 per 100 pounds.

The following factors probably have affected rice prices in part and aided the upward trend: (1) General postwar prosperity has tended to boost consumption of most food products; (2) Although the 1947-48 production is considered only 2 percent less than the prewar average, there has been an increase in the population of the Philippines which has brought about a greater demand for rice; (3) On a historical basis, rice prices generally increase gradually for the first 6 months following harvest, and then rise more rapidly during the July-September period. The price advances so far in 1948, however, have been relatively more marked than before the war. The sales system and distribution of rice did not result in bringing reasonably-priced rice to the consumer. The eventual distribution of imported rice by the same dealers who marketed domestic rice brought about virtually the same price for both domestic and imported rice.

Preliminary and unofficial forecasts indicate the 1948-49 rice area may be slightly larger than in 1947-48. Lack of rainfall early in August retarded planting progress and recently transplanted seedlings have suffered from lack of moisture. No losses are reported, however, and general rainfall will promote good growth.

PERUVIAN RICE OUTPUT UP TO FORMER RECORD

Peru's 1948 rice harvest is expected to approximate the record crop of 1946, according to a report from the Agricultural Attache at Lima. Unofficial estimates indicate the outturn will be around 9,400,000 bushels (275 million pounds milled) compared with 6,500,000 bushels (190 million pounds) a year earlier, when dry weather caused a sharp curtailment in production. The 1946 harvest is officially estimated at 9,409,000 bushels (275 million pounds).

The current May-August harvest is more than double the production before the war (1936-40), when it averaged 4,578,000 bushels (134 million pounds) yearly. During that period 45 million pounds of rice were imported annually in order to meet requirements, with 58 percent of the imports coming from Siam and 30 percent from Ecuador.

Peru's record 1946 crop lacked only a little of equaling domestic consumption, and, when this year's production reaches consuming centers in volume, monthly supplies are expected to be sufficient for essential requirements. An exceptional demand now exists for rice, which is attributed to greater money income of consumers, low price ceilings, and

scarcity of potatoes and other foodstuffs. Because of this demand, interest in production is steadily growing, and plantings next year may be increased further if water supplies are adequate.

ARGENTINA REPORTS

RECORD WHEAT MILLINGS

Argentine wheat millings in 1947 were estimated at 100.5 million bushels, the highest figure on record for that country, according to preliminary reports of the milling industry. The record flour production was estimated at 42.6 million hundred weight, with an extraction ratio averaging 70.6 percent. That extraction is the lowest reported for years, other recent years averaging about 71.5. The percentage change from the 1946 wheat grindings was 8 percent and for flour the increase was 7 percent, increased byproducts, resulting from the lower extraction rate, accounting for the difference.

ARGENTINA: Wheat production, milling, flour produced, and extraction rate, 1947, with comparisons

Year	Wheat production ^{a/}	Wheat milled		Flour produced	Extraction rate
		Quantity	As percentage of production		
	1,000 bushels	1,000 bushels	Percent	1,000 cwt.	Percent
Average:					
1930-34	228,323	69,114	30	29,189	70.4
1935-39	243,755	75,030	31	32,165	71.4
1940-44	230,711	80,541	35	34,612	71.6
Annual:					
1945	150,097	97,884	65	42,020	71.5
1946	143,556	92,740	65	39,815	71.6
1947 ^{b/}	206,314	100,493	49	42,602	70.6

^{a/} Wheat harvest beginning late in preceding year. ^{b/} Preliminary.

From official and unofficial sources.

LIVESTOCK AND ANIMAL PRODUCTS

CANADIAN EXPORT CONTROLS ON FEEDER AND SLAUGHTER CATTLE TERMINATED

Canada removed its controls on exports of slaughter and feeder cattle and dressed beef and veal and other beef products August 16. This was the second time within the last two weeks that controls were removed on exports of livestock products. Export controls on sheep, lamb, mutton and lamb carcasses were abolished August 3.

The 6-year old embargo on cattle had been in effect since the middle of June, 1942 as part of the wartime controls. During the 1937-41 period, prior to the establishment of controls, the number of cattle, other than dairy and breeding classes, exported to the United States, averaged about 220,000 head per year.

According to present estimates, it is believed that Canada may export to the United States approximately 100,000 head of feeder and slaughter cattle during the remainder of the present calendar year. It is expected that a substantial portion of this number will be feeders. While these imports will tend to augment the United States meat supply, the number of cattle that will enter the United States as a result of lifting the embargo will be insignificant in comparison with domestic cattle numbers. Such imports, however, may make up about one-fourth to one-fifth of the cattle formerly imported from Mexico prior to the outbreak of foot-and-mouth disease in that country in December, 1946. Imports from Mexico are, of course, prohibited.

With the removal of Canadian export controls on beef, veal, mutton and lamb, these products can now move unrestricted to all countries. As exports of meats from the United States continue to be restricted and since quantities allocated are below requests, a number of countries, especially Latin American countries, may turn to Canada for part of their supplies. This would tend to reduce the volume of meat and livestock that would otherwise enter the United States. The probable extent of such diversion cannot be estimated.

Feeder and slaughter cattle, as well as all livestock, offered for entry into the United States must meet United States sanitary requirements and all animals must be accompanied by an official Canadian veterinarian's certificate of health. Canadian veterinary authorities are fully familiar with United States sanitary requirements and have assured the U. S. Department of Agriculture's Bureau of Animal Industry of their full cooperation in complying satisfactorily with all regulations.

Removal of controls does not affect the exportation of breeding animals and dairy cows from Canada. Since the middle of June, 1942 and up to the time of the removal of the export control on cattle, only pure-bred breeding animals and cows for dairy purposes were licensed by the Canadian Government for export to the United States. All cattle imports into the United States, except breeding animals, are dutiable at 1.5 cents per pound within trade agreement quotas which are at present suspended. These quotas shall not be in effect until 30 days after the President of the United States has proclaimed that the abnormal situation with respect to cattle and meat has terminated. This proclamation, however, cannot be issued until after the termination of the unlimited National Emergency proclaimed on May 27, 1941.

The United States duty on dressed beef and veal is 3 cents per pound.

(See Tables on Following Pages)

CANADA: Cattle numbers in relation to shipments of live cattle to United States annually, 1935-47.

Year	Number of Cattle	Imports of live cattle 1/					Total dutiable cattle	Breeding cattle
		700 pounds and over	Under 700 pounds	Under 200 pounds	200 to 699 pounds	Total		
		Cows for dairy purposes:	Other	Total	Under 200 pounds	200 to 699 pounds	Total	
		Head	Head	Head	Head	Head	Head	Head
1935				59,930			52,790	112,720
1936	2/	6,686	136,533	143,219	55,695	35,149	90,844	234,063
1937		6,723	157,468	164,191	80,792	50,355	131,147	295,338
1938		7,442	75,529	82,971	45,645	9,147	54,802	137,773
1939	3/	8,570	172,753	181,323	81,832	11,229	93,061	274,384
1940		9,595	125,004	134,599	74,681	10,076	84,757	219,356
1941		13,387	150,216	163,603	62,419	10,192	72,611	236,214
1942		19,509	115,475	134,984	53,015	9,033	62,048	197,032
1943		34,764	211	34,975	5,986	1,317	7,303	42,278
1944		33,624	164	33,788	5,551	1,038	6,589	40,377
1945		43,919	77	43,996	8,427	1,535	9,962	53,958
1946		64,737	182	64,919	9,345	3,113	12,458	77,377
1947		43,912	95	44,007	7,642	1,372	9,014	53,021

1/ See accompanying tabulation summarizing United States tariff rates and import quotas on various classes of cattle.

2/ First Trade Agreement with Canada became effective January 1, 1936.

3/ Second Trade Agreement with Canada became effective January 1, 1939.

Office of Foreign Agricultural Relations. Compiled from official sources.

United States Tariff Rates and Quota Restrictions on Imports of Cattle.

Effective date of Tariff or Agreement and Class	: World quota : : allowed : : entry at : : lower rate :	Tariff rate on Imports:	
		Within	In Excess
		Quota	Of Quota
Cattle not for breeding:	: Head per	Cents	Cents
1922 Tariff, par. 701:-	: Calendar Year	per pound	per pound
Weighing under 1050 pounds each.	: Unrestricted :	1.5	1.5
Weighing 1050 lbs. or more each.	: Unrestricted :	2.0	2.0
1930 Tariff, par. 701:-	: : :	: :	: :
Weighing under 700 lbs. each	: Unrestricted :	2.5	2.5
Weighing 700 lbs. or more each.	: Unrestricted :	3.0	3.0
Canada, Trade Agreement, January 1, 1936 :	: : :	: :	: :
Weighing under 175 lbs. each.	: 51,933 :	1.5	2.5
Weighing 175 but under 700 lbs. each.	: Unrestricted :	2.5	2.5
Weighing 700 lbs. or more each:-	: : :	: :	: :
Cows imported for dairy purposes	: 20,000 :	1.5	3.0
All other cattle	: 155,799 :	2.0	3.0
Canada, Trade Agreement, January 1, 1939 :	: : :	: :	: :
Weighing under 200 lbs. each	: 100,000 :	1.5	2.5
Weighing 200 but under 700 lbs. each.	: Unrestricted :	2.5	2.5
Weighing 700 lbs. or more each:-	: : :	: :	: :
Cows imported for dairy purposes	: Unrestricted :	1.5	1.5
All other cattle	: 225,000 1/ :	1.5	3.0
Mexico, Trade Agreement, January 30, 1943:	: : :	: :	: :
Before termination of emergency: 2/	: : :	: :	: :
Weighing under 200 lbs. each.	: Unrestricted :	1.5	1.5
Weighing 200 or more but under	: : :	: :	: :
700 lbs. each.	: Unrestricted :	1.5	1.5
Weighing 700 lbs. or more each:-	: : :	: :	: :
Cows imported for dairy purposes	: Unrestricted :	1.5	1.5
All other cattle	: Unrestricted :	1.5	1.5
After the emergency:- 2/	: : :	: :	: :
Weighing under 200 lbs. each	: 100,000 :	1.5	2.5
Weighing 200 or more but under	: : :	: :	: :
700 lbs. each.	: 400,000 3/ :	1.5	2.5 (A)
Weighing 700 lbs. or more each:-	: : :	: :	: :
Cows imported for dairy purposes	: Unrestricted :	1.5	1.5
All other cattle	: 225,000 1/ :	1.5	2.5
General Agreement, January 1, 1948 4/	: : :	: :	: :
Before termination of emergency:-	: : :	: :	: :
Weighing under 200 lbs. each 5/	: Unrestricted :	1.5	1.5
Weighing 700 lbs. or more each	: : :	: :	: :
Cows imported for dairy purposes	: Unrestricted :	1.5	1.5
All other cattle 5/ 6/	: Unrestricted :	1.5	1.5
After the emergency:-	: : :	: :	: :
Weighing under 200 lbs. each	: 200,000 :	1.5	2.5 (A)
Weighing 700 lbs. or more each	: : :	: :	: :
Cows imported for dairy purposes.	: Unrestricted :	1.5	1.5 (A)
All other cattle 5/ 6/	: 400,000 :	1.5	2.5 (A)
Cattle for breeding:-	: : :	: :	: :
1922 Tariff, par 1507	: Unrestricted :	Free	Free
1930 Tariff, par. 1606	: Unrestricted :	Free	Free

1/ But not to exceed 60,000 head in any calendar quarter year.

2/ Effective 30 days after the President, after termination of the national emergency, shall have proclaimed that the abnormal situation in respect of cattle and meats has terminated, the emergency quotas and rates will be superseded by those listed under the heading:

"After the Emergency."

3/ But not to exceed 110,000 head in any calendar quarter year.

4/ General Agreement consummated at Geneva provided that the indicated rates become effective January 1, 1948 and that the indicated quotas will not become effective before (1) the unlimited National Emergency proclaimed on May 27, 1941 has been terminated by Presidential proclamation and (2) until 30 days after the President of the United States has proclaimed that the abnormal situation with respect to cattle and meat has terminated.

5/ Beginning April 1 in any year.

6/ Only 400,000 head of such "other" cattle can enter at 1½ cents per pound in the 12-month period beginning April 1 in any year, but not more than 120,000 head of such cattle in any 3-month period beginning April 1, July 1, October 1, or January 1 within any such 12-month period.

(A) Lines marked with (A) in right hand margin will apply when emergencies are terminated.

Office of Foreign Agricultural Relations.

COTTON AND OTHER FIBERCOTTON-PRICE QUOTATIONS
ON FOREIGN MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange:

COTTON: Spot prices in certain foreign markets, and the U.S.
gulf-port average

Market location kind, and quality	Date 1948	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria	:	:Kantar	:	:	:
Ashmouni, Good.....	8-19	: 99.05 lbs.	:Tallari	: 55.00	: 45.89
Ashmouni, F.G.F.....	"	: "	: "	: 50.00	: 41.72
Karnak, Good.....	"	: "	: "	:	(not quoted)
Karnak, F.G.F.....	"	: "	: "	:	(not quoted)
Bombay	:	:Candy	:	:	:
Jarila, Fine.....	8-18	: 78 $\frac{1}{2}$ lbs.	:Rupee	: 572.00	: 22.01
Broach, Fine.....	"	: "	: "	: 787.00	: 30.28
Kampala, East African.....	"	: "	: "	:	(not available)
Karachi	:	:Maund	:	:	:
4F Punjab, S.G., Fine.....	:	: 82.28 lbs.	: "	:	:
289F Sind, S.G., Fine.....	:	: "	: "	:	:
289F Punjab, S.G., Fine....	:	: "	: "	:	:
Buenos Aires	:	:Metric ton	:	:	:
Type B.....	8-19	: 2204.6 lbs.	:Peso	: 1/3160.00	: 42.68
Lima	:	:Sp. quintal	:	:	:
Tanguis, Type 5.....	8-17	: 101.4 lbs.	:Sol	:	(not quoted)
Pima, Type 1.....	"	: "	: "	: 301.50	: 45.74
Recife	:	:Arroba	:	:	:
Mata, Type 4.....	8-19	: 33.07 lbs.	:Cruzeiro	: 175.00	: 28.79
Sertao, Type 4.....	"	: "	: "	: 185.00	: 30.44
Sao Paulo	:	:	:	:	:
Sao Paulo, Type 5.....	"	: "	: "	: 193.00	: 31.75
Torreon	:	:Sp. quintal	:	:	:
Middling, 15/16".....	"	: 101.4 lbs.	:Peso	: 177.50	: 2/
Houston-Galveston-New	:	:	:	:	:
Orleans av. Mid.15/16"....	"	:Pound	:Cent	: XXXXXX	: 31.03
:	:	:	:	:	:

Quotations of foreign markets reported by cable. U.S. quotations from designated spot markets.

1/ Nominal.

2/ Official exchange rate temporarily not available.

CLOTH CONTROL RE-IMPOSED IN INDIA

The Government of India on July 30, 1948 froze all cloth stocks in 400 textile mills as the first step in re-imposing cloth controls in India, according to Henry W. Spielman, American Consul at Bombay. The action was taken to reduce the price of cloth as well as to eliminate excess profits made by mill operators, wholesalers, and retailers. Prices of textiles have advanced sharply since the decontrol of cotton textiles January 20, 1948.

The Government will fix fair prices of cloth and yarn ex-mill. This price is to be stamped on all cloth produced and on stocks now frozen in mills. The retail shops will be permitted to charge an extra margin over the ex-mill prices according to rates to be fixed by Provincial or State Governments. The Central Government will fix a maximum price. The present stocks held by wholesalers and retailers may be sold unstamped up to October 31, 1948.

Quotas will be established for the distribution of cloth to provinces and states and cloth will be handled only by wholesalers approved or nominated by Provincial or State Governments.

Provincial and State Governments will sell part of the cloth through fair price shops but the remainder will be sold through consumers' cooperative societies and through normal trade channels. Provincial and State Governments will, however, exercise supervision over the trade channels as well as license retain shops. The Central, Provincial, and State Governments have the right to requisition cloth from wholesalers and dealers at prices considered fair by them. This power is intended to be used for preventing hoarding profiteering and other malpractices.

The primary responsibility for implementing the textile control will rest with the provinces and states. However, a special branch for enforcement will be established by the Central Government of India. Steps will also be taken to prevent a fall in production and to channel production into desirable types of cloth.

The Government of India, in consultation with representatives from the provinces and states, is also studying the possibility of reinstituting floors and ceilings for lint cotton produced in India.

TROPICAL PRODUCTS

BRITISH EAST AFRICA TO PRODUCE LESS TEA IN 1948

Tea production in British East Africa (Kenya, Uganda and Tanganyika) during the current year will be about 20 percent less than in 1947, according to a report from the American Consulate General in Nairobi. Drought during January-March 1948 in Kenya, where most of the tea is produced, is largely responsible for the drop in production. The quality of the Kenya crop, however, was greatly improved by the limited rainfall, and on a value basis the higher price it will bring on the export market will compensate to a considerable extent for the smaller production.

Total 1948 production of finished tea in British East Africa is estimated at 14,988,000 pounds of which about 9,000,000 pounds will be available for export. During 1947, 18,621,000 pounds were produced. The carryover from the 1947 crop as of January 31, 1948, amounted to 3,005,000 pounds.

BRITISH EAST AFRICA: Tea production, 1948 with comparisons

Territory	Average 1935-39	1947	1948 Estimate
	Pounds	Pounds	Pounds
Kenya	9,488,400	13,384,847	10,006,000
Uganda	413,000	3,866,026	3,590,000
Tanganyika	359,400	1,370,417	1,392,000
Total	10,260,800	18,621,290	14,988,000

International Tea Committee, Bulletin of Statistics, June 1948 and Foreign Service Report, No. 116, July 23, 1948

Only black tea is produced in British East Africa. Plucking of the tea leaves is carried on throughout the year, instead of at certain more or less well defined periods, as is the case in most producing countries. Domestic consumption is estimated at 6 million pounds annually.

INDIA'S COFFEE
CROP LARGER

India's 1948-49 coffee harvest is expected to exceed that of the previous season, according to a report from the American Consulate General in Madras. Weather conditions have been favorable with the exception of heavy rains in the Coorg and Nilgiris districts which caused premature falling off of coffee blossoms. This damage, however, is not considered extensive enough to cause a large reduction in yield.

The Indian Coffee Board forecasts the new crop between 285,000 and 305,000 bags, which would be considerably larger than the 1947-48 crop of about 249,000 bags. The quantity of coffee available for export from the 1948-49 crop will be small, however, unless domestic consumption declines. Domestic consumption in 1946, the last year for which information is available, was estimated at 288,000 bags.

GOOD CACAO CROP
FORESEEN IN COSTA RICA

If weather conditions remain favorable in Costa Rica, a fairly large 1948-49 main cacao crop will be harvested, according to a report from the American Embassy in San Jose. The flowering for the main crop was abundant, and, if no long periods of heavy rainfall occur prior to harvest time, a good outturn is practically assured. The crop is expected to be 6 weeks to 2 months later than the 1947-48 main crop, with the harvest reaching its peak in late November or early December.

Costa Rica's total cacao bean production for 1947-48 (October 1-September 30) will approximate 11 million pounds, of which about 2 million pounds will be harvested from July through September. The 1947-48 main crop, the largest in several seasons, totaled about 6,700,000 pounds. The mid-crop (May through September) will account for about 4,300,000 pounds.

FATS AND OILS

NETHERLANDS INDIES COPRA EXPORTS SMALLER IN JULY

Although the Netherlands Indies July copra exports of 24,868 long tons were somewhat smaller than a month earlier, they were more than double the quantity shipped in July 1947. January-July shipments came to 128,367 tons, exceeding the same months of last year by 34 percent. The Netherlands continues to be the principal market, taking more than 85 percent of this year's copra. The forecast for August exports is 24,100 tons and September 29,500.

July production was 30,608 tons and deliveries to oil mills 5,315. Month-end stocks totaled 26,573, East Indonesia 23,227, West Borneo 2,460, and Java 886. August output is expected to be around 32,000 tons.

NETHERLANDS INDIES: Copra exports, July 1948 with comparisons.
(Long tons)

Country	Copra distribution				
	Average	1947 a/	Jan. - June:	July	
	1935-39		1948 a/	1947a/	1948a/
Mexico	12,614	-	-	-	-
United States	3,909	1,546	-	-	-
Czechoslovakia	4,896	5,000	-	-	2,000
Denmark	72,375	7,999	2,000	-	-
France	12,748	4,000	2,000	-	-
Bi-Zonal Germany	64,674	-	-	-	-
Italy	23,103	-	-	-	-
Netherlands	133,841	114,157	92,499	9,337	17,219
Norway	31,810	5,469	-	-	-
Sweden	6,886	3,200	5,000	-	-
Switzerland	17	2,082	2,000	-	500
Lebanon	-	1,525	-	-	-
Singapore	107,285	-	-	-	-
Union of South Africa	-	5,249	-	-	-
Others	33,227	-	-	1,525	5,149
Total	507,385	b/150,227	b/103,449	b/10,862	b/24,868

a/ Preliminary.

b/ Does not include unrecorded shipments to Singapore.

Copra Board, Batavia.

PHILIPPINE COPRA
EXPORTS DECLINE

July Philippine copra exports of 38,013 long tons were the smallest in more than a year, according to the American Embassy at Manila. Of this quantity 80 percent was destined to the United States. June copra shipments have been revised upwards to 53,488 tons, 7,050 to the United States (Pacific Coast), 1,000 to Canada, and 7,027 to Denmark. Total for the 7 months is 396,745 tons compared with 521,847 in 1947, a decline of 24 percent.

Coconut oil exports, all to the Atlantic Coast, amounted to 2,800 tons, bringing the January-July shipments to 18,590 tons of which the United States received 18,564.

PHILIPPINE ISLANDS: Copra exports, July 1948 with comparisons
(Long tons)

Country a/	Copra distribution				
	Average :	1947 b/ :	Jan-June :	July	
	1935-39 :	1947 b/ :	1948 b/ :	1947 b/ :	1948 b/ :
United States (total)...	206,801	585,620	203,740	27,714	30,310
Atlantic Coast....	-	116,034	21,507	-	4,353
Gulf Coast.....	-	77,155	33,765	4,470	6,633
Pacific Coast.....	-	392,431	148,468	23,244	19,324
Canada.....	-	16,607	15,049	-	-
Mexico.....	7,260	1,500	-	-	-
Panama C. Z.....	-	1,009	1,361	-	-
Columbia.....	-	5,300	850	-	2,678
Venezuela.....	-	7,862	-	-	2,525
Austria.....	-	6,000	-	-	-
Belgium.....	10	10,306	1,000	-	-
Czechoslovakia.....	-	7,676	-	-	-
Denmark.....	6,025	44,823	20,536	-	-
France.....	24,589	73,232	44,312	21,578	-
Bi-Zonal Germany.....	7,309	11,220	5,350	-	-
Italy.....	4,079	26,076	8,050	-	-
Netherlands.....	28,415	7,962	-	1,000	1,800
Norway.....	91	15,719	4,097	-	-
Poland.....	-	21,762	20,000	-	-
Sweden.....	4,183	11,898	4,748	-	-
Switzerland.....	-	12,379	-	-	-
United Kingdom.....	80	24,250	-	-	-
Yugoslavia.....	-	13,283	-	-	-
India.....	-	13,200	-	-	-
Japan.....	1,047	16,100	18,339	4,000	-
Palestine.....	-	7,510	-	-	-
Egypt.....	1,271	3,560	-	-	-
French Morocco.....	-	6,050	-	1,850	-
Union of South Africa..	-	16,579	-	-	-
Others.....	8,678	949	11,300	799	700
Total.....	299,838	968,432	358,732	56,941	38,013

a/ Declared destination. b/ Preliminary.
American Embassy, Manila.

Copra buying prices in early August ranged from 43 to 45 pesos per 100 kilograms (\$218 to \$229 per long ton) in Manila and 39 to 42 pesos (\$198 to \$213) in producing areas. Selling prices c.i.f. Pacific Coast were \$240 to \$245 per short ton (\$269 to \$274 per long ton).

URUGUAY REDUCES EXPORT PRICE OF LINSEED OIL

The Uruguayan Government has temporarily reduced the price of linseed oil from 1.05 to .95 pesos per kilogram (31.2 to 28.3 cents per pound, converted at the special rate of 1.519 pesos to the U. S. dollar applicable to linseed-oil exports), according to the American Embassy at Montevideo. This price is to prevail until November 30, 1948, and applies to linseed oil meeting standard specifications. The Bank of the Republic is authorized to advance up to 70 percent of this fixed price against linseed oil held in stock and is also authorized to buy at this price when intended for export.

Prior permission of the Ministry of Industries continues to be required for export transactions. If oil is exported at a price lower than the .95 peso fixed by decree, the difference will be subsidized by the government. This action was taken in order to find a market for Uruguay's accumulated surplus of linseed oil.

Linseed oil exports during January-June 1948 amounted to 13,600 short tons compared with 16,500 in the corresponding months of last year, and a total of 30,300 for the calendar year 1947. Only 18,750 bushels of flaxseed had been shipped by the end of June.

TOBACCO

U. K. RESTRICTS TOBACCO CONSUMPTION TO 1939-40 LEVEL

As a result of continued shortage in dollar exchange, the United Kingdom Government has reduced tobacco consumption to the prewar level. Effective July 1, 1948, monthly withdrawals of leaf for the manufacture of products in the country were reduced from 120 percent to 100 percent of average monthly withdrawals during the 12 months July 1939 through June 1940. It is also reported that the allocation of dollar exchange for the purchase of leaf from 1948 crops in the United States, principally flue-cured types, now is below an amount sufficient to purchase supplies of leaf which heretofore have been considered normal needs. If this limitation is maintained it will result in a 1948-49 consumption of United States tobacco below that of 1939-40, unless the deficit is made up by further reducing existing low stocks.

The United Kingdom Government has attempted to conserve expenditures of dollars for the purchase of leaf and at the same time increase revenue from tobacco by higher import duties. The duty on United States and other non-Empire leaf, unstemmed and with 10 percent or more moisture, has been increased successively from \$2.32 per pound in April 1939 to \$11.72 per pound in April 1948. As a result of high purchasing power which followed the war, however, consumption of tobacco products has risen in spite of successively higher prices caused by increased duties. During the 1946-47 fiscal year, leaf used in manufacture, of which about three-fourths was

from the United States, exceeded 1939-40 utilization by about 30 percent. As a result of restrictions on withdrawals, utilization in 1947-48 was reduced sharply and the July 1, 1948 restriction will result in a still further reduction.

British sources estimate that the allocation of dollar exchange by the United Kingdom Government for purchases of leaf from the 1948 United States crop will be sufficient to buy only about 60,000,000 pounds. This quantity, combined with the unshipped portion of 80,000,000 pounds purchased in May 1948 from stocks of 1947 crop leaf in the United States, indicates that July 1948-June 1949 imports from the United States might total only about 130,000,000 pounds. Prewar imports from the United States averaged about 200,000,000 pounds annually, and the high imports in 1945-46 and 1946-47 averaged 325,000,000 pounds. Imports in 1947-48 were reduced sharply and stocks of United States tobacco in the United Kingdom declined. On July 1, 1948, they were estimated at about 200,000,000 pounds, as compared with 275,000,000 pounds on July 1, 1947. In contrast, tobacco imports from Empire countries and other Sterling areas increased in 1947-48, and stocks of leaf from these sources on July 1, 1948, totaled approximately 115,000,000 pounds, as compared with about 90,000,000 pounds on July 1, 1947.

CHINA'S 1948 FLUE-CURED TOBACCO CROP EQUALS CONSUMPTION REQUIREMENTS

China's 1948 production of flue-cured tobacco (excluding crops in Taiwan and Manchuria) is forecast at 240,000,000 pounds, as compared with the 1947 crop of 135,000,000 pounds and the previous record production in 1937 of 210,000,000 pounds.

Consumption of leaf in the manufacture of cigarettes in China during 1947-48 has been estimated at about 240,000,000 pounds, and if there is no increase in consumption in 1948-49, the 1948 crop will approximately equal requirements, according to a report from the Office of the Agricultural Attache at the American Consulate General in Shanghai. The reports states, however, that not more than 75 percent of the large 1948 crop is expected to reach factory centers and that an import of about 60,000,000 pounds might be needed to maintain consumption at the 1947-48 level. A recent duty increase and shortage in exchange, however, will tend to restrict imports.

Weather conditions to date are reported to have been favorable for the Chinese flue-cured crop and the yield per acre is expected to exceed substantially that of 1947, which was reduced by drouth. Quality is also expected to be better than in 1947. The crop is officially estimated at 302,108,000 pounds, as compared with a 1947 official estimate of 171,052,000 pounds. It is believed, however, that much of the leaf included in the official estimates cannot be classed as flue-cured. Part of it is leaf from flue-cured varieties that is air-cured.

Uncertainties regarding movement to market of the 1948 China crop, the effect of the recently established high duty on imports, government plans for allocating funds for the importation of raw tobacco, the

INTERNATIONAL TRADE IN MEAT DECREASED IN 1947
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Nearly 74 percent of all meat imports in 1947 were taken by the United Kingdom compared with 62 percent in 1946 and 77 percent during the 1934-38 period. Domestic production in 1947 was only about 62 percent of prewar. France imported about 5 times as much in 1947 as in prewar. Imports by Belgium, Portugal, Spain, Sweden, and Switzerland were larger than in 1946, while imports by other countries, except Norway and Netherlands, were substantially lower than prewar.

Soviet Union exports for 1947 and 1946 were not reported and probably were inconsequential. In 1947, known meat exports to the Soviet Union were 15,700,000 pounds, compared with 231,700,000 pounds in 1946 and 6,231,700 pounds in prewar. The 1947 imports were mostly from Denmark, Canada, United States, Hungary, Australia and New Zealand, while the 1946 imports were largely from the United States, Canada, Denmark, Brazil, Argentina and Australia. Data on meat imports from Eastern and Southeastern Europe were not available.

This is one of a series of regularly scheduled reports on world agricultural trade approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of Joseph A. Becker, Chairman, C. M. Purves, Elmer A. Reese, Hazel B. Kefauver, Lois B. Bacon, Karen J. Friedmann, Mary E. Long, and Constance H. Farnworth.

NORTHERN HEMISPHERE'S 1948 BREADGRAIN CROP NEAR NORMAL
(Continued from Page 139)

Turkey is the only country in this area reporting rye production, which is reported this year to be smaller than in 1947.

Wheat production in North Africa is slightly larger than in 1947 but still below average. Production in Egypt is placed at 40 million bushels, about the same as in 1947. The crop is slightly smaller in French Morocco and Tunisia, but those reductions are more than balanced by the substantial increase to 40 million bushels for Algeria, compared with last year's harvest of 28 million bushels in that country.

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general political situation, and transportation to move cigarettes into the interior preclude the possibility of accurately forecasting consumption in 1948-49. It is significant, however, that in spite of inflation and civil war in China, the demand for cigarettes has been little affected. Consumption in 1947-48 was at a record level, and substantially above consumption in 1946-47. The large 1947-48 consumption, however, was only possible by using large supplies of leaf normally carried in stock. Stocks of old leaf, both domestic and imported, at manufacturing centers are now very low and in some cases production of cigarettes is being sharply curtailed as a result of inadequate supplies of leaf. Consequently, the extent to which 1948-49 consumption exceeds or falls below the estimated 240,000,000 pounds consumed in 1947-48 will depend largely on imports and deliveries of 1948 crop Chinese tobacco.

The new tariff imposed by the Chinese Government on leaf tobacco was effective August 7, 1948, and sets a duty of 200 percent ad valorem, as compared with the previous rate of 30 percent ad valorem. The new regulations, however, abolish a 5 percent revenue tax and a 45 percent surtax on the former duty.

